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Office of Personnel Management

Washington, D.C. 20415

In Reply Refer To:

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Your Halorence

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

Office of Personnel Management (OPM) staff have recently done an informal survey of agency intentions with respect to salary rates to be used in SES conversions. I am concerned that some agencies may not fully understand the considerations behind conversion decisions. It was, and is, OPM's philosophy that agencies should make the decisions. However, some agencies apparently intend automatically to promote individuals at GS-17 and GS-18 to ES-5 and ES-6.

I recognize the desire of agencies to use the conversion process to help rationalize some of the incongruities in present salary relationships. This desire must be balanced against the President's concern to avoid any action which would appear to fuel inflation. Similarly, we have assured Congress that we sought to end an automatic salary progression and therefore that the SES decisions would be performance related. Automatic conversions to ES-5 and ES-6 for all GS-17s and 18s are inconsistent with these policies.

The policy I have set at the Office of Personnel Management is that conversion will guarantee that no individual will lose salary if the salary cap is raised in October. Therefore, grades 17 and 18 have been converted to ES-4, and Executive Level V to ES-5. Variations upward and downward, of which there will be very few, are authorized only on an individually defensible basis.

I strongly believe that this pattern of distribution should prevail. If you have serious problems in following this guidance, I and OPM staff stand ready to consult with you about your situation.

Director

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